[Rao Bahadur A. Rêñgaswami Aiyar].

		Rs.
Drainage Works, Trivandrum	...	31 Lakhs.
Water Supply Schemes to the Municipal Towns of Alleppey, Shencottah and Nagercoil	...	11 ,,
Pallivasal Hydro-Electric Scheme	...	20 ,,
Loans to Cochin Harbour for the fourth stage works	...	8 ,,
Total	...	70 ,,

Out of the expenditure incurred on the above schemes, a sum of about Rs 53 lakhs will be repaid by equated instalments (Rs 15 lakhs by the Mofussil Municipalities and Rs. 38 lakhs by the Cochin Harbour authorities). Out of the loans for the Cochin Harbour, about Rs 6 2/3 lakhs advanced for the purchase of the Dredger is expected to be repaid in 20 equal annual instalments with interest at the rate of 4 per cent. The remainder will be free of interest for the first ten years and thereafter will be repaid in 30 equated annual instalments with interest at 5 per cent. per annum. Government have, however, to arrange for the necessary funds in the first instance for the above.

GENERAL REVENUE POSITION.

61. During the years 1109, 1110 and 1111, the accounts showed a deficit of Rs. 5·77 lakhs, Rs. 4·45 lakhs and Rs. 4·06 lakhs respectively. As stated already, we are anticipating a revenue surplus of Rs. 11·52 lakhs and Rs. 2·60 lakhs for 1112 and 1113 respectively. We may hope that the depression is lifting definitely and that the corner has been turned. Still, expenditure in a progressive State like ours is bound to increase in various directions. It is therefore absolutely essential that we should build up a substantial revenue reserve fund to provide for special and capital expenditure, to meet unforeseen fall of revenue, and to maintain the stability and solvency of our finances on an un-assailable basis. In para 44 of my last budget speech, I stated that we should aim at setting apart annually about Rs. 5 lakhs at least for the purpose. I propose accordingly to make a start in the accounts of the current year and to open a Revenue Reserve Fund with a credit of Rs. 10 lakhs taken out of the anticipated surplus for the current year. It is, however, necessary that we should not relax our vigilance in regard to the control of expenditure or our efforts for securing economies, as far as possible.

WAYS AND MEANS.

62. From para 47 of my last budget speech, it will be seen that it was then contemplated to withdrw Rs 27·40 lakhs from our surplus investments to finance the current year's estimated capital expenditure

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